

SUBJECT: FIXED ASSET CONTROLS		
Reviewed by: Finance Committee Revised by: Approved by: HITE-CT Board of Directors	Effective: 5/21/12	
	Reviewed: 3/5/12	Revised: 3/28/12
	Page 1 of 5	
	Related to Core Policy: F100	

I. OVERVIEW

The following are guidelines for maintaining fixed asset register, depreciation, transfer of property, sale or disposal of property, accepting donations or property, capitalization of furniture, equipment, and leasehold improvements.

II. PROCEDURES

1. Items purchased through HITE-CT from budgeted appropriations, restricted funds, or special grants will be assigned an inventory number, the number attached to equipment, and the item accounted for on the Fixed Asset Register.
2. The bookkeeper will be responsible for attaching the assigned inventory number where it can be readily located on each item. A Fixed Asset Register will be maintained by the assigned staff person responsible for inventorying these items, and will be able to assist management, state, and independent auditors in locating items. The CEO is responsible and accountable for all furniture, equipment, and sensitive items in HITE-CT or other facilities, and he/she is to maintain management control over these items.
3. Property transfers will be reported to the accounting staff person responsible for maintaining the Fixed Asset Register using the Property Transfer Form. The person to whom the item was assigned originally will be held accountable until the accounting staff person has received the completed form. The person acquiring the property assumes accountability when the property is transferred and the transfer form is received by accounting personnel.
4. Property to be sold, traded, or disposed of must have prior approval using the Property Disposal Form. The person to whom the item is currently assigned will be held accountable until the completed form is received by accounting personnel for removal from the Fixed Asset Register.
5. Policy requires that the CEO be notified before acceptance of any property using the Gift/Donation Form. If the property is usable by HITE-CT, can be placed in use without significant preparation costs, and can be maintained at a reasonable cost, a current market value of the item will be determined. The CEO will acknowledge the gift without stating a dollar value thereof. Upon acceptance of the gift by the CEO, the completed Gift / Donation Form will be sent to accounting staff. The item will then be added to the Fixed Asset Register and the necessary information will be recorded to the financial records.

6. DEPRECIATION

It is the policy of HITE-CT to treat depreciation, in general, for both financial and state reporting on a consistent basis. With respect to specific items of furniture, equipment, and leasehold improvements, straight line depreciations (# of months in the year of acquisition) and the useful life.

1. Furniture & Equipment

Items purchased with a unit cost of \$5,000.00 or greater will be capitalized to the correct asset account and added to the Fixed Asset Register.

Items purchased with a unit cost of \$5,000.00 or less are to be expensed and added to the Fixed Asset Register at zero (\$0.00) basis under the category of "Sensitive Items".

Sensitive Items will have a unit cost between \$50 and \$1,000 and an estimated useful life of two years or more. Examples of sensitive items are calculators, computer printers, typewriters, desks, chairs, etc.

2. Leasehold Improvements

All expenditures (including painting) are to be capitalized and added to the Fixed Asset Register if the total cost exceeds \$5,000. Any expenditure in connection with maintaining an existing facility in good working order that does not meet the above criteria should be expensed as a repair. The useful life for an improvement should be the life amortized over the remaining term of the lease.

Equipment Disposition Form

DATE: _____

TAG #: _____

SERIAL #: _____

EQUIPMENT
DESCRIPTION: _____

LOCATION OF EQUIPMENT: _____

TYPE OF DISPOSITION:

- | | |
|--------------------------------|--|
| <input type="checkbox"/> Sell | Sales Price: _____ |
| | Buyer: _____ |
| <input type="checkbox"/> Trade | Attach copy of invoice for new equipment |
| <input type="checkbox"/> Junk | Explain: _____ |
| | _____ |
| | _____ |

REQUESTER: _____

DIRECTOR: _____

**Note: Route completed form with original signatures to accounting personnel.*

Equipment Donation Form

DATE: _____

EQUIPMENT DESCRIPTION:

ESTIMATED MARKET VALUE: \$ _____

ADDITIONAL COSTS:

ESTIMATED COSTS: \$ _____

JUSTIFICATION FOR ACCEPTANCE:

LOCATION OF EQUIPMENT: _____

DONOR: _____

DIRECTOR: _____

**Note: Route completed form with original signatures to accounting personnel.*

Equipment Transfer Form

DATE: _____
TAG #: _____
SERIAL #: _____

DESCRIPTION OF EQUIPMENT TRANSFERRED:

PREVIOUS LOCATION OF EQUIPMENT:

NEW LOCATION OF EQUIPMENT:

JUSTIFICATION FOR TRANSFER:

REQUESTOR: _____

DIRECTOR: _____

**Note: Route completed form with original signatures to accounting personnel.*